



Mid America Export Assistance Centers

U.S. Department of Commerce
U.S. Commercial Service

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Little Rock, AR

Louisville, KY

Omaha, NE

Sioux Falls, SD

Somerset, KY

St. Louis, MO

Wichita, KS

www.buyusa.gov/midamerica/

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EXPORT NEWS is the monthly newsletter of the U.S. Commercial Service, U.S. Dept. of Commerce Mid America offices. It distributed by email. To correct, add or delete an address, send complete contact information to the email address or fax # above. We hope that you've enjoyed this edition of our newsletter. Please note that any mention of non-government sources does not constitute endorsement.

US-Central America Free Trade Agreement (CAFTA)

For the past nine months, the U.S. has been in negotiations with five countries of Central America in an effort to create a free trade agreement with this region. In a series of negotiation rounds, country officials from each nation are debating and deciding upon various terms of the agreement. The proposed date for the finalization of the agreement is scheduled for December of 2003. If passed, the agreement would create a closer relationship between the countries involved; expand international trade and lower overall barriers to trade among the participating nations. Many U.S. industries are expected to profit greatly from the agreement, including machinery and equipment; chemicals and plastics; paper; foodstuffs; textiles and apparel.

For details and updated information on CAFTA and other FTA's, visit the US Trade Representative's website at <http://www.ustr.gov/news/fta/cafta.htm>

Undervaluing Invoices: Cutting Costs or Taking Risks?

A more and more common practice among exporters is becoming the undervaluing of invoices to reduce costs from duties and tariffs at customs in foreign countries. Many overseas buyers are requesting invoices stating lower than actual value figures for shipments of goods. In complying with these requests, U.S. exporters are allowing buyers to circumvent high costs of exporting large amounts of high priced goods. Without these costs of exporting, U.S. companies may charge higher prices for their goods, because they are incurring lower customs costs.

However, what many exporters are not taking into consideration are the risks associated with this activity. If firms are caught improperly filling out exportation documents, they may face substantial fines and harsh consequences from U.S. and foreign country governments. The results of such consequences, including seizure of goods, fines, restrictions from exporting to certain markets and improperly insured goods may result in much greater losses than would have been necessary had the company complied with export documentation regulations. If you are seriously considering undervaluing your invoices, first consider the risks.

International Partner Search (IPS)- Find Overseas Distributors and Buyers!

developed programs that will help you do just that. Through the International Partner Search program, a team of experts will work to find you the most suitable licensees, distributors, agents, and strategic partners in the country of your choice.

You will receive detailed information about prospective partners, plus key information from them about the marketability of your products or services in the host country.

For more info contact your local export assistance center or visit
www.buyusa.gov/midamerica/page34.html

U.S. Joins International Trademark Filing System

U.S. companies will soon have a new option for registering their trademarks overseas, using an international filing system that will cost significantly less than the present country-to-country method. Recent federal legislation implemented an agreement for the U.S. to join the Madrid Protocol, an international treaty that facilitates procuring and maintaining international registrations in the participating countries through a centralized and cost-effective system.

The protocol will allow U.S. applicants to file a single international trademark application (based on a home "basic" application or registration) that designates the member countries where trademark registration is sought. U.S. participation in the Madrid Protocol will begin once the necessary rules and procedures are in place, but no sooner than November 2, 2003.

U.S.-Chile Trade Agreement Ratified

On June 6, 2003, the U.S. and Chile signed a bilateral Free Trade Agreement (FTA) in Miami. U.S. Trade Representative Robert Zoellick signed the agreement on behalf of the United States, and Chilean Foreign Minister Soledad Alvear signed for Chile. The agreement will go into effect as soon as

Looking to increase sales overseas? Need to find reputable distributors and business partners? The US Commercial Service has

the congresses of both countries have ratified it. The U.S. Congress ratified the agreement in July.

The agreement will reduce import duties for U.S. goods entering Chile from the current 6% to 0%, giving U.S. goods a significant price advantage over goods from countries that do not have FTA's with Chile (especially in combination with the current favorable exchange rate).

The U.S.-Free Trade Agreement with Singapore was signed in late 2002 and was also passed by Congress in July 2003. Negotiations on an FTA with Australia began in March of this year. For more information on these and other FTA's, visit www.ustr.gov

Iraq Reconstruction Information

U.S. Department of Commerce Secretary Donald Evans has made Iraq Reconstructions a priority within the Department of Commerce. An "Iraq Reconstruction Task Force" comprised of experts throughout the department dedicated to assisting in the Iraq rebuilding efforts has been created. The International Trade Administration (ITA) is responding to U.S. companies seeking information on how to participate in the rebuilding of Iraq. The goal is to provide U.S. companies with the latest information on the reconstruction efforts and the related projects that they can participate in. The Task Force serves as an information-clearinghouse for the U.S. business community.

The following resources are available to assist U.S. companies:

- A new website:
www.export.gov/Iraq
- An address for receiving e-mail inquiries:
IraqInfo@mail.doc.gov
- A hot line has been activated at 1-866-352-IRAQ (4727)
- To view commercial opportunities under contract solicitation and awards, go to the U.S. Agency for International Development,

www.usaid.gov/iraq/activities.html

- To view the latest information on Iraq Sanctions Guidelines, go to office of Foreign Asset Controls at www.treas.gov/offices/enforcement/ofac/sanctions/sanctguide-iraq.html

Ex-Im Bank Can Now Back Some U.S. Exports to Iraq

The Export-Import Bank of the United States (Ex-Im Bank) has determined that it is no longer legally prohibited from supporting U.S. exports to Iraq. While it is still closed for routine trade finance transactions, Ex-Im Bank is now prepared to process applications for exports to Iraq that involve buyers or letters of credit from banks located in third countries. Ex-Im Bank is also ready to consider applications under its Working Capital Guarantee Program (WCGP) for sub-contractors providing goods & services to Iraq under USAID contracts. The Bank can now also consider support for trade finance facilities established in connection with the reconstruction of Iraq.

New Passport Requirements For International Travelers To the U.S.

Changes to Take Effect October 1, 2003: All Visa Waiver Program travelers will be required to present a valid Machine Readable Passport (MRP) for visa-free entry into the United States as of October 1, 2003 (May 15, 2003 for Belgian passport-carrying travelers). This is acceleration by four years of the official requirements for this segment of travelers. Visa Waiver Program travelers are those who travel to the United States for business or leisure for a period of less than 90 days, and have a round trip ticket.

Most Visa Waiver countries began issuing Machine Readable Passports in the early or mid-1990s, so the majority of travelers from these countries should be able to easily comply with this requirement. Some countries, notably Switzerland, Italy, and Spain, may find significant numbers of their travelers in need of either a replacement passport or a Non-Immigrant Visa. Visa Waiver Program nationals who are unable to obtain a Machine Readable Passport will need a

Non-Immigrant Visa. U.S. bound families and groups should obtain an individual passport for each traveler, including infants. Machine Readable Passports typically have bio data for only one traveler in the machine-readable portion of the passport, and families may be denied visa-free entry into the United States if the bio data for only one traveler is machine-readable. For Information about the Visa Waiver Program and Machine Readable Passports see <http://travel.state.gov/vwp.html>